

MAINE STATE LEGISLATURE

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LEGISLATIVE RECORD

OF THE

One Hundred And Sixteenth Legislature

OF THE

State Of Maine

VOLUME V

SECOND REGULAR SESSION

House of Representatives
January 5, 1994 to April 14, 1994

ONE HUNDRED AND SIXTEENTH MAINE LEGISLATURE
SECOND REGULAR SESSION
6th Legislative Day
Wednesday, January 19, 1994

The House met according to adjournment and was called to order by the Speaker.

Prayer by Father Frank J. Murray, Our Lady of Wisdom Parish, Orono.

The Journal of yesterday was read and approved.

SENATE PAPERS

Non-Concurrent Matter

Bill "An Act to Provide Assistance to Homeowners Who Have Faulty Septic Systems" (H.P. 1245) (L.D. 1672) which was referred to the Committee on **Housing and Economic Development** in the House on January 11, 1994.

Came from the Senate referred to the Committee on **Energy and Natural Resources** in non-concurrence.

House voted to Recede and Concur.

COMMUNICATIONS

The following Communication:

DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF BANKING
State House Station 36
Augusta, Maine 04333

January 14, 1994

The Honorable John L. Martin
Speaker of the House
State House Station 2
Augusta, Maine 04333

Dear Speaker Martin:

In accordance with Title 9-B Maine Revised Statutes Annotated section 217, as amended, I am submitting "The Status of Maine's Financial Institutions."

This report contains information on the number, type and legal structure of all regulated financial institutions in the state of Maine, as well as the location of offices and total deposits held by these institutions. This past year marked major improvement in the financial condition of the banking industry in Maine, with earnings recovering to record levels. With the economic recovery gaining momentum and an outlook for only modest increases in rates, Maine's financial institutions should be looking forward to another year of record earnings, moderate growth, and continued reduction in problem assets.

Copies of this report have been distributed to the Office of the Clerk of the House of Representatives

in order to provide one copy for each member of the House.

Very truly yours,

S/H. Donald DeMatteis
Superintendent

Was read and with accompanying report ordered placed on file.

The following Communication:

Maine Turnpike Authority
430 Riverside Street
Portland, Maine 04103

January 11, 1994

Hon. Dennis Dutremble
President of the Senate
State House Station 3
Augusta, Maine 04333

Hon. John L. Martin
Speaker of the House of Representatives
State House Station 2
Augusta, Maine 04333

Dear President Dutremble/Speaker Martin:

I am pleased to forward to the Maine Legislature the Maine Turnpike Authority's 1995 Revenue Fund Operating Budget in accordance with Initiated Bill Chapter 1, 1991. The specific section of the law is Sec. 3, M.R.S.A. 1961 sub - 6.

I look forward to working with the Legislature and presenting background information on the MTA's 1995 Revenue Budget through the Committee process.

Sincerely,

S/Paul E. Violette
Executive Director

Was read and with accompanying papers ordered placed on file.

PETITIONS, BILLS AND RESOLVES REQUIRING REFERENCE

The following Bills were received and, upon the recommendation of the Committee on Reference of Bills, were referred to the following Committees, Ordered Printed and Sent up for Concurrence:

Banking and Insurance

Bill "An Act Regarding the Workers' Compensation Residual Market Mechanism" (EMERGENCY) (H.P. 1291) (L.D. 1739) (Presented by Representative PINEAU of Jay) (Cosponsored by Senator McCORMICK of Kennebec and Representative: CARLETON of Wells) (Approved for

introduction by a majority of the Legislative Council pursuant to Joint Rule 27.)

MORRISON of Bangor, REED of Dexter, RUHLIN of Brewer, SAXL of Bangor, STEVENS of Orono, SULLIVAN of Bangor, WINN of Glenburn, Senator: O'DEA of Penobscot (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

Energy and Natural Resources

Bill "An Act to Exempt Schools from Certain Fees" (H.P. 1287) (L.D. 1735) (Presented by Representative AHEARNE of Madawaska) (Cosponsored by Senator PARADIS of Aroostook and Representatives: CARON of Biddeford, CLARK of Millinocket, JOY of Island Falls, PENDLETON of Scarborough, PINETTE of Fort Kent, Senator: KIEFFER of Aroostook) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

At this point, a message came from the Senate, borne by Senator ESTY of Cumberland, proposing a Convention of both branches of the Legislature to be held at 6:45 in the evening in the Hall of the House for the purpose of extending to His Excellency, Governor John R. McKernan, Jr., an invitation to attend the Convention and make such communication as pleases him.

Bill "An Act to Amend the Classification of Part of the Presumpscot River and One of Its Tributaries" (H.P. 1289) (L.D. 1737) (Presented by Representative LARRIVEE of Gorham) (Cosponsored by Representative: MARSH of West Gardiner, Senator: ESTY of Cumberland) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

Thereupon the House voted to concur in the proposal for a Joint Convention to be held at 6:45 in the evening and the Speaker appointed Representative GWADOSKY of Fairfield to convey this message to the Senate.

Fisheries and Wildlife

Bill "An Act to Amend the Maine Guide License" (H.P. 1293) (L.D. 1741) (Presented by Representative BAILEY of Township 27) (Cosponsored by Representatives: AHEARNE of Madawaska, FARREN of Cherryfield, JACQUES of Waterville, KNEELAND of Easton, LIBBY of Kennebunk, LINDAHL of Northport, MARSHALL of Eliot, PLOWMAN of Hampden, REED of Dexter, STEVENS of Sabattus, VIGUE of Winslow) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

Judiciary

Bill "An Act Concerning High-speed Chases" (EMERGENCY) (H.P. 1294) (L.D. 1742) (Presented by Representative BAILEY of Township 27) (Cosponsored by Representatives: JACQUES of Waterville, JALBERT of Lisbon, KNEELAND of Easton, LIBBY of Kennebunk, PLOWMAN of Hampden, REED of Dexter, STEVENS of Sabattus, VIGUE of Winslow) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

Banking and Insurance

Bill "An Act Regarding the Use of Social Security Numbers on Health Care Cards" (H.P. 1286) (L.D. 1734) (Presented by Representative PINEAU of Jay) (Cosponsored by Senator McCORMICK of Kennebec and Representative: CARLETON of Wells) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.)

State and Local Government

Bill "An Act to Change Statutory References to the Maine Teachers Association to the Maine Education Association" (H.P. 1288) (L.D. 1736) (Presented by Representative OLIVER of Portland) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

Reference to the Committee on Human Resources suggested.

Bill "An Act to Repeal Sanctions against Businesses Doing Business in South Africa" (H.P. 1290) (L.D. 1738) (Presented by Representative ADAMS of Portland) (Cosponsored by Representative: JOSEPH of Waterville, Senator: BERUBE of Androscoggin) (Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.)

On motion of Representative TREAT of Gardiner, the Bill was referred to the Committee on Banking and Insurance, ordered printed and sent up for concurrence.

Human Resources

At this point, the Speaker recognized the Representative from Orono, Representative CATHCART, and she was added to the quorum call of the Second Regular Session.

Bill "An Act to Clarify Medicaid Reimbursement for New Psychiatric Hospitals" (EMERGENCY) (H.P. 1292) (L.D. 1740) (Presented by Representative CAMPBELL of Holden) (Cosponsored by Senator BALDACCI of Penobscot and Representatives: CROSS of Dover-Foxcroft, FAIRCLOTH of Bangor, MICHAUD of East Millinocket,

Subsequently, Representative **GHADOSKY** reported that he had delivered the message with which he was charged.

At this point, the Senate entered the Hall of the House and a Joint Convention was formed.

In Convention

The President of the Senate, **DENNIS L. DUTREMBLE**, in the Chair.

On motion of Senator **BUSTIN** of Kennebec, it was

ORDERED, that a Committee be appointed to wait upon the Governor's Cabinet and invite them to attend the convention.

The Order was read and passed.

The Chairman appointed:

Senators:

BERUBE of Androscoggin
ESTY of Cumberland
BUTLAND of Cumberland

Representatives:

JOSEPH of Waterville
KILKELLY of Wiscasset
GRAY of Sedgwick
DUTREMBLE of Biddeford
AHEARNE of Madawaska
ROWE of Portland
WALKER of Blue Hill
LOOK of Jonesboro
BENNETT of Norway
YOUNG of Limestone

Subsequently, Representative **JOSEPH** of Waterville, for the Committee, reported that the Committee had discharged the duty with which it was assigned.

Whereupon, the Chair welcomed the Honorable Members of the Governor's Cabinet as they entered the gallery, amid applause, the members rising.

On motion of Senator **ESTY** of Cumberland, it was

ORDERED, that a Committee be appointed to wait upon his Excellency, Governor John R. McKernan, Jr. and inform him that the two branches of the Legislature were assembled in Convention, ready to receive such communication as he may be pleased to make.

The Order was read and passed.

The Chairman appointed:

Senators:

PEARSON of Penobscot
TITCOMB of Cumberland
FOSTER of Hancock

Representatives:

CHONKO of Topsham
POULIOT of Lewiston
CARROLL of Gray
MICHAUD of East Millinocket
RYDELL of Brunswick
HICHBORN of Howland
KERR of Old Orchard Beach
FOSS of Yarmouth
MACBRIDE of Presque Isle
REED of Falmouth

Subsequently, Senator **PEARSON** of Penobscot, for the Committee, reported that the Committee had discharged the duty assigned it, and the Governor was pleased to say that he would attend the Convention forthwith.

At this point, Governor John R. McKernan, Jr. entered the Convention Hall amid prolonged applause, the audience rising.

The Governor then addressed the Convention as follows:

Mr. President, Mr. Speaker, Members of the 116th Maine Legislature, and Fellow Citizens:

It is said that "to every thing there is a season". To those of you who are under forty, you probably think that comes from "The Birds"; actually it comes from the Bible. But as I thought about what I wanted to say to you and the people of our state during my final State of the State address, my mind kept returning to one of the verses from Ecclesiastes: "There is a time to weep and a time to laugh; a time to mourn and a time to dance...a time to rend and a time to sew...a time to keep silent and a time to speak...a time to break down and a time to build up...a time of love and a time to hate...a time of war and time of peace."

These past seven years have been marked by tremendous contrasts. And so I thought it would be appropriate to make tonight a time to thank and a time to reflect; a time to challenge and a time to dream...to dream about what Maine's future can be.

First, this is a time to thank you — the men and women of the 116th Legislature — thank you for setting aside partisan bickering and making the decisions that we made last year move our state in the right direction. Even cynics cannot dismiss the positive signs we have seen after we passed reforms to our workers' compensation insurance laws. Nor can we ignore the dramatic shift in the size and scope of

state government, again encouraged by your debate and approved by your vote.

To legislative leaders and others who put aside partisan differences, I thank you for working with me to do the business of the people of our state. And to those of you — both here in this Chamber, and across the state — who offered your personal support, kindness and encouragement through some tough times for me personally, I also thank you for your friendship.

I would also like to single out the leaders of the Appropriations Committee: Senator Mike Pearson, Representative Lorraine Chonko, Senator Ruth Foster and Representative Judy Foss, as well as my Commissioner of Administrative and Financial Services, Sawin Millett — all of whom provided invaluable leadership, support and guidance in building our budget during the most trying of times. And to the members of my Cabinet, who are seated in the Gallery: I thank you for serving our state with distinction and creativity during one of the most trying times in our state since the great Depression.

I also want to welcome back a member of the Maine State Senate who is also sitting in the Gallery, Senator Spike Carey who joins us today after recovering from triple bypass heart surgery. Spike, it is good to have you with us.

My appreciation goes out to Maine's dedicated state workers, they have worked hard and well to deliver state services in very, very difficult and uncertain times; and to the leaders of our state employee unions, for forging a new partnership with management in state government to change the way we do business through our quality initiatives; and to all the citizens of Maine, I thank you for your perseverance through a tough economy — especially to those of you in the business community who worked so hard to save Maine jobs.

Finally, on a personal note, I would like to thank my family — my mother, as you know, is here tonight — for supporting me throughout these two terms. And especially to Olympia — who is also in the Gallery tonight — I thank you for your guidance, your counsel, your love and your support. (Applause)

In 1986 when I announced my candidacy for Governor, my goal was to make Maine the very best place in America to live, to work, and to raise a family. I saw Maine as a state of opportunity, a place where as Henry David Thoreau wrote, one could "advance confidently in the direction of his dreams." Well, in many ways, we've done that. The years following 1987, Maine's economy grew with unprecedented speed. But as fast as the economy grew in the 1980's, so did it collapse in the 1990's. And we have worked together to change our state government to adapt to the changed economic reality.

Ours was not the only state to suffer the consequences of this recession. Each of our neighbors in New England has swallowed the same bitter pill of budget reduction — and three of every four states in our nation have struggled with tough choices made necessary by the recession. But we are slowly recovering. And I believe that Maine today is

the best place to live and raise a family — and I believe we are improving our state as a place to work.

Over the course of my Administration, we have followed broad goals in our approach to government; to encourage economic growth and improve our business climate; to provide opportunities for our citizens; to help those most in need; to protect our natural resources and quality of life; and restore trust in our government. Because of our penchant as a society to focus on the bad rather than the good, many of our advances toward those goals have been lost in the cloud of the recession. So before I outline our program for this legislative session, I would like to just highlight what I believe you and we have accomplished together.

When I took office in 1987, our state was on the cusp of rapid economic growth, but our economic development strategies were fractured and our state divided. We unified our economic strategy and created a Cabinet-level Department of Economic and Community Development, and we eliminated the destructive perception of "two Maines": one, in the south, rich and vibrant with opportunities of tomorrow; the other, to the north and west, bypassed by prosperity.

We formed a coordinated RETI Team to respond to the needs of dislocated workers as our jobs base changed. And we worked to build an infrastructure that would prepare our citizens for jobs of the future, with job training and telecommunications initiatives. We invested in large industries like tourism, but also helped small retailers market their wares with our Maine Products Marketing catalogue.

And we pursued a customer focus, helping large corporations like Keyes Fibre in Waterville with their needs, while aiding small farmers in agriculture, who today for the first time have standards guaranteeing quality that have helped us increase agricultural trade from \$360 million in 1987 to \$472 million today. We've also encouraged high skills among our workers across Maine. Today, you can visit — as I did last week — Graphic Color Service, a state-of-the-art printing shop in Fairfield that international corporations like DuPont use to test new colors and color separations. We're building the jobs of tomorrow in all parts of our state — in all of your districts — building on the skills and work ethic of our Maine people.

We've made tough choices that I believe have improved our business climate. Maine in the 1980's attracted business because we had a great quality of life, a good work force, and we benefitted from a labor shortage in southern New England. In the 1990's we can't count on our state's beauty or solely on our work force. The world has become more competitive, and we must aggressively compete for jobs with any available tool. We must treat business as customers, making TQM stand for "Total Quality Maine." We are creating highly-skilled workers in our state through training funds and we have also streamlined regulations but kept high standards in environmental laws. When I entered office we had a backlog at the Department of Environmental Protection that was keeping more than eleven hundred permit applicants waiting for more than a year. Today, that

backlog has been reduced by 85 percent, and permitting time has been cut by two-thirds — even though applications increased by 20 percent last year.

But perhaps our biggest achievement is in reforming worker's compensation insurance laws. Workers' Comp has dogged businesses in Maine for over a decade. Unfortunately, it took a government shutdown to accomplish it, but I do believe we are finally on the right track. In November, the insurance industry requested a rate decrease for the first time in two decades, and the Blue Ribbon Commission reform should yield even greater savings. Yes, our system is back under control. Finally, thanks to your efforts we have tamed a runaway system that was driving precious jobs out of Maine. Our changes have realigned the Workers' Comp culture so that injured workers and businesses are again our main concern.

Today, our challenge is to ensure world-class jobs and opportunities, not only for today's existing workers, but also to future generations of Maine students as well. To do that, we have invested in our schools and ensured that our schools adapt to the changing realities of the 1990's. We made good on the 1984 reforms for education, increasing state spending for local schools by 66 percent since I took office in 1987 — strong funding for education even during these tough times.

But we also realized that with increased funding must come improved motivation, accountability and results. We created the Maine Aspirations Compact, helped parents evaluate their schools with school report cards, and worked to break the cycle of failure in schools, whether in first grade with our Reading Recovery program or in the middle and high schools with programs like Re:Learning and youth apprenticeship.

We also maintained our support for the Maine Education Assessment tests, which allow us to measure our progress. And we are making progress — Maine 4th graders just this year have demonstrated their rise in test scores by scoring first in the nation in mathematics, and second in science. Our 8th graders rank among the best students in the nation as well, scoring fourth in the nation in math.

We can be proud of our students' achievements and of the steps we have taken to make Maine schools second to none. With MAINE 2000, the Common Core of Learning, the Coalition for Excellence in Education and the Beacon Schools model, we are leading the nation in reforming our schools — and in preparing our kids for quality lives and jobs in the next century.

But state support of education can't end at high school. We have also worked to expand access to post-secondary education for Maine students. Over the years, we have expanded the reach of classes through interactive television of the Community College of Maine. And by centering student financial aid at the Finance Authority of Maine, we have more than doubled available scholarship dollars. We are helping young people navigate the labyrinth of college loans.

With the changing needs in the workplace and the move to a global economy, however, we have also invested in students who — until now at least — have not planned to go on to college. We eliminated the fee for GED exams, helping almost 20,000 high school dropouts get their diplomas. The Jobs for Maine's Graduates program has grown from serving just 100 at-risk students in 1989 to more than one thousand last year.

And we are restoring relevance to the classroom — and learning to the workplace — through youth apprenticeship. This year, our program will serve over 150 students statewide, helping them learn at school and at work, and complete their 3-year apprenticeship with their high school diploma, one year college certificate and certifiable skills. Our program has won national prominence. This fall, I was proud to accept, on behalf of President John Fitzsimmons at the technical college system and our youth apprenticeship staff, the National Alliance of Business's first annual award for outstanding school-to-work transition programs. Our commitment to education and to restructuring, and to innovation in programs like JMG and youth apprenticeship, is encouraging our children to reach their highest potential.

Some of our citizens, though, dream not only of good jobs and good training, but of economic self-sufficiency. And those who need a hand up, we have maintained our economic safety net. Our system has been tried — severely — the last few years, as thousands of our citizens entered unemployment and welfare rolls during the recession. But we have done what we could to end the crushing cycle of welfare and keep even our neediest citizens on the track for jobs and re-employment.

We encouraged welfare clients to go to work with programs like ASPIRE, providing training and education to thousands more, and easing the financial burden by removing our neediest from the income tax rolls. And we've gotten tough on "deadbeat" parents, parents who fail to meet their fundamental responsibility to their children. We've raised close to \$5 million from more than 7,000 delinquent parents since September.

There will always be those for whom state intervention is the only alternative. For the mentally ill, we are moving increasingly to community-based care that will provide quality care closer to loved ones.

Concerns about our health and our loved ones reaches to the very core of our values. We have extended peace of mind to our citizens in our health care system with reforms that make coverage affordable, fair and comprehensive for more of our citizens than ever before. Today, our laws ensure insurance portability for workers who change jobs; protect citizens with pre-existing medical conditions; and keep premiums on an even keel by ensuring similar costs for similar benefits with community rating. This year, we will position Maine to respond to the federal reforms with a Health Resources Advisory Council, and we will extend an affordable, "no frills" health care package to individual policyholders. Maine's system must be one

that taxpayers can afford, not another uncontrolled government bureaucracy. (Applause)

To stop the scourge of drugs, we have expanded the DARE program and our innovative school drug curriculum. The Maine Drug Enforcement Agency, now five years old, has built an impressive record of drug arrests as our nation's only interdepartmental drug agency. We have worked to make Maine's streets and communities safer. The crime rate has steadily decreased over the past decade, and hit a new low in 1992. And we extended protection to victims of stalking and domestic violence. We strengthened our OUI laws and reduced traffic fatalities. We've eased prison overcrowding with the new Supermax prison in Warren, and by privatizing some health care services, we are offering prisoners health care at a lower cost to the state.

And as important as investments in jobs and our people are, we have always strived to maintain our commitment to our environment. One of my earliest legislative successes came when in 1974, I sponsored Maine's first-in-the-nation returnable "bottle bill." Today, we recycle everything from bottles to batteries, and Maine boasts the best overall recycling program in this nation. We've also passed laws to protect our environment. Over the past seven years, we've implemented laws to protect our groundwater, clean up our rivers and streams, replace leaky underground tanks and to protect our precious estuaries, from wetlands in Wells to Casco Bay and the Gulf of Maine.

We have invested in our state for today and for tomorrow. The Land for Maine's Future Commission helped us preserve 51,000 acres over the past six years — including 105 miles of shorefront that could otherwise have been developed. We have leveraged federal and state highway dollars to boost our economy — and that will make 1994 the highest year of contract awards for highway and bridge projects in our history, with close to \$200 million in contracts for work to be done in our state.

And we've set priorities, eliminating three cabinet-level agencies, reducing by one-third the positions that I appoint in state government as Governor, and downsizing our state work force. We have restructured the cost centers of state government, to control runaway spending growth and keep Maine on sound fiscal footing for the future. In the process, we've rethought the way we do business. Our MFASIS human resource program helps our employees better handle budgeting, accounting and, soon, our personnel system.

And we have begun the long process of bringing "total quality" to state government, encouraging shared vision and values, and targeting areas we agree need work: our purchasing system, encouraging injured employees to return to work, streamlining our permitting process, and others. When I complete my term next year, every state agency will be focusing on the needs of you, our constituents and "customers" instead of doing things "the way they have always been done."

Winston Churchill once said that history will be kind to his administration, because he intended to

write it. I don't know who is going to write the history of these times, but I can tell you whoever does I believe that they will say our Administration has been a watershed for this state, both economically and politically. I also believe they will write that together we have made significant progress. However, I believe if they wrote our history based on 1993 that they would say our job was left undone. As you all know, this is my last year as your Governor. Many have suggested to me that this is a year to coast, I have rejected that advice, first, because it is not in my nature and secondly, because I believe there is so much more to do and because if we do the kinds of things that can prepare our state for the future we truly can make a difference in the lives of those that we represent.

I would just like to spend the rest of this address talking about where I believe Maine is, where I believe Maine can go. What I believe Maine is and what I believe Maine isn't — what Maine isn't and probably isn't going to be is a headquarter state for Fortune 500 companies. The good news is those aren't the companies that are creating jobs anyway. Jobs are being created by entrepreneurs, jobs are being created by regional companies, jobs are being created by the small businesses that predominate our state. And, the good news is that those people can benefit from what Maine has to offer. We have extraordinary natural resources. We have a superior telecommunications system. We have excellent educational institutions. And as we all know, we have an unparalleled work force.

So, it seems to me that we need to look at what kind of investments we can make to maximize the benefit of those assets which can put more and more of our people to work and give them the economic opportunities that they deserve. Throughout the last seven years, we have focused on education, on improving the business climate, on personal responsibility in preserving our natural resources. Our legislative agenda for this session will also focus on those themes because I believe those are the themes that will determine our standard of living and our quality of life in the future.

We will again invest for the long-term in improvements for education. We will again propose a distance learning bond issue. We will propose that bond issue because I want to make sure that every youngster in this state has the same opportunity at the best education that he or she can get regardless of his or her geographic location. What this bond issue will do will link-up every high school in this state with our technical college system in every campus of our university so that every student in whatever high school will have an opportunity to partake of any course that is offered in Maine and the best professors and the best teachers.

To ensure that youngsters in this state get the right start, we are going to propose a Reading Recovery program that will guarantee to every first-grader in the State of Maine that they will leave the first grade reading at the first grade level or better. We will make sure that whatever it takes we will give students the individual attention that they need to have an even chance in our educational system. (Applause)

Some of you may remember that I used to have a distinguished lecture series when we had money. I had Captain Kangaroo come and give a speech on child development, Bob Keeshan, the fellow who played Captain Kangaroo for so many years and he made a point that we ought to never forget and I hope you won't forget when you review our legislation, he said kids don't drop out of school at age 16, they drop out of school in second grade when they fall so far behind they think they can never catch up, they just wait until they are 16 to make it official. We can no longer afford to let that happen, we are squandering our most precious resource and that is our kids.

To ensure that we also have a system that encourages people to reach for the stars, we are going to propose two new Magnet Schools, one in Limestone and one in the Portland area. The one in Limestone will go to the very core of our economic well-being in the 21st Century and that is a Magnet School for math and science to attract the best students from around our state and challenge them as much as it is possible to challenge them to expand their interests in their knowledge in areas that truly will determine what happens in Maine in this new age of information and technology. But because the arts are such an important part of our quality of life in Maine, we will also propose a School for the Visual and Performing Arts to make sure that those children who are so fortunate to be given that God-given talent, don't have to leave Maine in order to have it nurtured and to explore and expand.

I believe that these kinds of investments will pay incredible dividends in the future. Because I also believe that we also have to revisit the very way we have educated so many of our kids — we are also going to expand our youth apprenticeship program and make sure that every youngster who does through our schools gets the skill that he or she needs to be productive and contributing citizens. The way to do that is to realize that in the 21st Century a four year college education may not necessarily be the best course for many of our students. Many of the best jobs and the highest paying jobs are going to be for those who have the kind of technological skills that one can get by getting the right kind of education after high school that may in fact not be a four year college degree.

One thing we do know, that no one will have a chance in the 21st Century if they haven't at least gone past high school and gotten those technical skills. We need to develop a system that gives all of our students the opportunity to get those skills so they can achieve the kind of economic success that they ought to be entitled to. (Applause)

These investments are necessary because the world of work has changed. Because the world of work has changed, we in state government and in our educational institutions have to change as well if we are going to prepare our citizens for those new opportunities. That is why we have proposed quality centers at each of our technical college campuses. Those quality centers will provide the kind of skilled training that workers in this state will need to take the jobs of the future. Those centers will

also allow us to go to businesses in this state and business outside of this state who might be willing to move in and say, if you expand Maine, this government will train, free of charge, every single new worker that you hire to ensure that they have the skills to do the job that you need to have done in a way so that you can compete. I believe that we owe that to the workers of this state and we need to make sure that we build on that work ethic that is world renown in Maine and make sure that our workers have the skills to go with that so they can do the jobs of the future. (Applause)

Along with making sure that our workers have the skills that they need we should also ensure that government makes the kinds of changes in its regulatory policies that allows businesses to flourish in our state. That means addressing some of our Public Utilities laws.

We intend to create an Economic Development electric rate to make use of surplus power that exists in this region and to put out for bid to companies that are willing to create economic activity and more jobs for people in Maine the opportunity to access this lower-cost electric rate in order to put more people to work and to expand our economy and stabilize our already too high electric rates in this state.

We are also going to propose to de-regulate part of our telecommunications industry. We want to protect basic telephone service, obviously, to make sure that everyone can have access to that service. But we have to also understand what is happening in this world, we are entering into an information age and we have a telecommunications system that is exploding all around us, not just in America, but all over the world and we have to realize that that means that we have to be prepared to respond. And, the way to do that is to free up companies to compete and make Maine an attractive place for these businesses of the future to locate.

I think it is absolutely critical that we understand that in the telecommunications world geography is unimportant. So, for the first time in a century, Maine is on an even footing with the emerging industry because you can do telecommunications just as easily in Machias or Waterville or Portland as you can in Hong Kong or San Francisco. We have to make sure that we have the telecommunications infrastructure and we have to also understand that we must make sure that we have the kind of regulatory policies that encourage these new types of services and expansion.

I believe that if we take these steps and we also encourage personal responsibility among those who are the most unfortunate among us, those who are down on their luck and need assistance that we can truly have a bright future. I think that we have to make sure that we bring everyone along with us and, for that reason, we are again going to provide for legislation that will reform our welfare system. We will, once again, propose that those single women who are on welfare not be given additional money for having additional children. I personally think that works against instilling personal responsibility.

We are also going to continue to make the case against "deadbeat" parents who fail to live up to what I think is your basic personal responsibility of caring for your children. And people who aren't willing to live up to that basic responsibility are not going to have a driver's license in this state and they are not going to have professional licenses as long as I am Governor. (Applause)

We are going to ask those who are assisted by our programs to also give back to our state by either working or volunteering or participating in training programs at least 20 hours per week in return for receiving their benefits. We hope that that also will move us closer to a system where we can move more of our people who are on assistance out into the work force. We will be proposing "Project Opportunity." This will be new legislation. It will say to people, once we have you trained and once there is a job that you will be qualified to do, you will be required to take that job and your benefits will stop.

But we will use the savings from those benefits to give cash grants to employers who are willing to take people and hire them and give them full-time work and get them off our welfare rolls. I believe this is a win/win/win. It will help the individual get the skills that they need to begin to climb up the economic ladder — it will give the business employees with a helping hand at the beginning with the cost of hiring that employee and it will help all of us in government by shrinking our welfare rolls and lowering our costs and allowing us to move those dollars into more needed programs. (Applause)

I am asking a lot of our citizens and, therefore, I believe that we ought to ask a lot of ourselves in government as well. Therefore, we will be continuing the process of restructuring government, looking for ways to cut down inefficiencies — to move together the departments of Human Services and Mental Health and Mental Retardation, as an example, to continue to participate as a total quality management to ensure the taxpayers are truly getting what they deserve for the dollars that they give us to run our government to provide services to them.

I would ask you in the Legislative Branch of government to participate in asking more of yourselves and to, once again, revisit the issue of whether now isn't the time to reduce the size of this House of Representatives and to shorten the session so that more citizens can participate — or whether now isn't the time to popularly elect the State Treasurer and the Secretary of State. I believe that if we make these kinds of changes that we truly can restore the confidence of the people in their government and put us on the trail to economic success. (Applause)

What I have proposed is not enough. Our income taxes in this state are too high. I hear that with almost every business that I try to bring to Maine — in almost every business that has an opportunity to expand here or in some other state.

The Governors in their State of the State addresses in New Hampshire, Massachusetts, in New Jersey and in New York have all recently said that

they intended to reduce the taxes on the people of their states. If we are serious about competing for the jobs that we want to bring to Maine, we cannot continue to be the highest taxed state. Therefore, we will also be proposing to phase in an across-the-board 20 percent reduction in the personal income tax in this state. (Applause)

We propose to do that over time by freezing income tax revenues that are envisioned in our current 1995 budget at \$611 million. Any increase that is projected in revenues from the income tax in future years, rather than allowing that increase to take place, we will propose that we reduce tax rates across-the-board to keep the income at that \$611 million level. If we are fortunate enough to be able to reproject revenues this February for 1995, we will propose to still leave the income tax level at the \$611 million figure and instead reduce tax rates beginning in 1995.

I am making these proposals because I truly believe that we have to make Maine competitive — that has been what we have been all about these last seven years.

I would like to just end with some personal thoughts about these last seven years. I remember being struck just three months into my Governorship by hard-working state employees rushing out of state office buildings to the banks of the Kennebec River to help local shopkeepers fill sandbags to protect their shops from the worst flood of the Kennebec River in 50 years.

I can still see the looks on the faces of first graders at Benton Elementary School who were participating in the Reading Recovery Program who had just been turned on to the world of words and reading that they had never before been able to participate in.

I remember the words of the father of one of the girls who had participated in our youth apprenticeship program. She had made such incredible progress in just one year — he commented, "I have always loved my daughter, but now I respect her too."

I knew that we had made significant progress when Warden Dan Glidden, who I think is here tonight, past President of the Maine State Employees Association, stood up at our last Quality Management Council and said that he believed that the true sharing of power between labor and management in our Quality Management Council had knocked down so many barriers that had prevented government from delivering the services that people deserve and need, I realized that we truly were making progress.

I remember when Olympia and I announced that we were going to be married and I remember the card that Olympia received at her home in Auburn which was addressed to Olympia Snowe and Joe Brennan. (laughter)

I remember the tears of pride in the eyes of Representative Babe Dutremble when I swore his son Duke in as President of the Maine Senate. I remember that day because I had felt that same pride with my own son's successes, obviously less momentous than Duke's, but still important for him in his short life.

What struck me about that pride was the realization that you and I as elected Representatives of the family of Maine people are really the mothers and fathers of that family and that we have an obligation to make sure that we set the right example and that we don't miss the opportunities that can benefit the people that we were elected to serve.

I remember the words of Henry David Thoreau when he arrived in my hometown of Bangor over 140 years ago, he wrote, "There stands the City of Bangor, the principal lumber depot on this continent, like a star on the edge of night, already overflowing with the luxuries and refinement of Europe, and sending its vessels to Spain, to England, and to the West Indies for its groceries."

If we make the investments that we should make during this session of the Legislature I am convinced that we can, once again, put Maine on the map, truly a "star on the edge of night," sparkling with promise and energy of the new opportunities that we can have.

Over this last seven years, we have tried to set the stage for that bright Maine future. But, the last act is going to take place here in the 116th Maine Legislature. I want you to know that we are looking forward to working with you. I ask you for your help. I ask you for your guidance. I ask you for your support because I remain convinced, as I said at the end of my first inaugural address — and I believe it just as deeply today — and that is that working together we will not fail.

Thank you very much. (Applause)

At the conclusion of the Governor's address, the Governor withdrew amid applause, the audience rising.

The purpose for which the Joint Convention was formed having been accomplished, the Chair declared the same dissolved.

The Senate then retired to its Chamber amid the applause of the House, the members rising.

The House was called to order by the Speaker.

On motion of Representative COTE of Auburn adjourned at 7:55 p.m., until 4:00 p.m., Thursday, January 20, 1994, in memory of William Lawrence, a former member of the Maine House of Representatives.